

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7587

BILL NUMBER: SB 383

NOTE PREPARED: Mar 28, 2003

BILL AMENDED: Mar 27, 2003

SUBJECT: Shareholder Consent and Entity Conversion.

FIRST AUTHOR: Sen. Clark

FIRST SPONSOR: Rep. Fry

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) For a corporation not registered under the Security and Exchange Act of 1934, this bill permits controlling shareholders to authorize a corporate action by their written consent without prior notice or meeting if subsequent notice is provided to nonconsenting and nonvoting shareholders. The bill allows for the use of electronic as well as written consents. The bill permits the conversion of a domestic other entity, such as a limited partnership or limited liability company, to a different domestic other entity. The bill permits the conversion of a foreign other entity to a different foreign other entity.

The bill provides for the issuance of funding agreements by life insurance companies under certain circumstances.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) The bill allows the Commissioner of the Department of Insurance to establish rules or conditions regarding matters related the life insurance funding agreements provided for in the bill. The bill also gives the Department authority to regulate and review the agreements. It is presumed that any additional administrative costs incurred by the Department as result of this bill could be covered using existing staff and resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected:

Information Sources:

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